

SENATE BILL NO. _____ HOUSE BILL NO. _____

1 A BILL to amend the Code of Virginia by adding a section numbered 15.2-2305.2, relating to affordable
2 housing.

3 **Be it enacted by the General Assembly of Virginia:**

4 **1. That the Code of Virginia is amended by adding a section numbered 15.2-2305.2 as follows:**

5 **§ 15.2-2305.2. Affordable housing near Metrorail station.**

6 A. For purposes of this section:

7 "Affordable dwelling unit" means a dwelling unit affordable to individuals whose household
8 income is no greater than 60 percent of the area median household income.

9 "Economic loss" means for any unit that is developed:

10 (i) for sale, failure by the owner or applicant of a development to recover the cost of construction
11 and certain allowances as may be determined by the designee of the governing body for the affordable
12 dwelling units, exclusive of the cost of land acquisition and cost voluntarily incurred, but not authorized
13 by the ordinance, upon the sale of an affordable dwelling unit; or

14 (ii) for rent, failure by the owner or applicant of a development to recover the difference between
15 fair market rents and affordable housing rents of such affordable dwelling units for rent

16 "Gap financing" means debt financing to compensate for a shortfall in project funding between the
17 expected development costs of an affordable dwelling unit project and the debt and equity capital provided
18 by the developer of the project.

19 B. This section shall apply to applications for rezoning or special exception approval for any
20 residential project or mixed-use project with a residential component.

21 C. Notwithstanding any other provision of law, general or special, in any locality with an existing
22 or planned Metrorail station, such locality shall require that at least five percent, beginning July 1, 2021,
23 and increasing by an additional one percent each year for five years, of new residential dwelling units in
24 any building that is at least 1.5 floor area ratio, be affordable dwelling units if the proposed project is
25 within one-quarter mile of an existing or planned Metrorail station.

D. Such locality may provide incentives or regulatory flexibility to private entities to develop affordable dwelling units required by subsection b through the use of (i) density increases, (ii) reductions or waivers of permit, development, and infrastructure fees, (iii) reduction of any type of gross receipts tax, (iv) waiver of tax liens to facilitate the sale of property, (v) conveyance of real property in accordance with § 15.2-1800, (vi) provision of cash subsidies, or (vii) gap financing.

E. A locality that adopts an ordinance pursuant to this section may define an affordable dwelling unit to be as restrictive as a dwelling unit affordable to individuals whose household income is no greater than 50 percent of the area median household income.

34 However, in no event shall the sales and rental price for affordable dwelling units within a
35 development be established such that the owner or applicant suffers an economic loss as a result of
36 providing the required affordable dwelling units.

37 F. Nothing in this section shall be construed to repeal a locality's authority with regard to affordable
38 housing under any other provision of law.

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